

TOWN OF URANIA, LOUISIANA

Annual Financial Statements

JUNE 30, 2014

TOWN OF URANIA, LOUISIANA
Table of Contents
June 30, 2014

	Schedule No.	Page No.
Independent Auditor's Report.....		1-2
Management's Discussion and Analysis.....		3-8
Basic Financial Statements		
Statement of Net Position.....	A	10
Statement of Activities.....	B	11
Balance Sheet, Governmental Funds.....	C	12
Reconciliation of The Government Funds Balance Sheet to the Government-Wide Financial Statement of Net Position.....	D	13
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds.....	E	14
Reconciliation of The Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	F	15
Statement of Net Position, Proprietary Funds.....	G	16
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds.....	H	17
Statement of Cash Flows – Proprietary Funds.....	I	18
Statement of Net Position - Fiduciary Fund.....	J	19
Notes to the Basic Financial Statements.....		20-32
Required Supplemental Information		
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund.....	1	34
Other Reports		
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards.....		36-37
Schedule of Findings and Questioned Cost.....		38-40
Management Letter Comments.....		41
Management's Summary of Prior Year Findings.....		42

John R. Vercher C.P.A.
jrv@centurytel.net

Jonathan M. Vercher M.S., C.P.A.
jonathanvercher@centurytel.net

David R. Vercher M.B.A., C.P.A.
davidvercher@ymail.com

THE VERCHER GROUP

*A Professional Corporation of
Certified Public Accountants*

P.O. Box 1608
1737 N 2nd St. – Suite A
Jena, Louisiana 71342
Tel: (318) 992-6348
Fax: (318) 992-4374

MEMBERS

American Institute of
Certified Public Accountants

Society of Louisiana
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Honorable Terri Corley, Mayor
Town of Urania
PO Box 339
Urania, LA 71480

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Town of Urania, Louisiana, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Town of Urania, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, are required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 2014, on our consideration of the Town of Urania's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Urania's internal control over financial reporting and compliance.

The Vercher Group

Jena, Louisiana

August 28, 2014

TOWN OF URANIA

PO Box 339

Urania, Louisiana 71480

Tel: (318) 495-3452

Fax: (318) 495-3425

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town, we offer readers of the Town of Urania's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with the Town's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999.

FINANCIAL HIGHLIGHTS

Governmental Funds

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$249,689 (*net position*). This is a \$27,158 increase from last year, mainly due to an increase in cash & investments in the amount of \$20,769.
- The Town had total revenue of \$218,588, in which \$61,518 came from collection of fines and \$72,956 came from fees and charges. This is an \$18,103 decrease from last year's revenues, mainly due to a decrease in grants in the amount of \$63,274.
- The Town had total expenditures of \$209,707, which is a \$53,790 decrease from last year, mainly due to a decrease in recreational expenses in the amount of \$45,951.

Enterprise Funds

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$3,123,578 (*net position*). This is a \$128,637 decrease from last year.
- The Town had total revenue of \$388,930, including operating revenues of \$363,675, non-operating revenues of \$255, and capital contributions of \$25,000. This is a \$25,034 increase from last year, mainly due to an increase in capital grants in the amount of \$25,000.
- The Town had total expenses of \$508,084, in which \$487,007 was for operating expenses and \$21,077 was for non-operating expenses. This is a \$41,207 increase from last year, mainly due to an increase in administration expenses in the amount of \$64,221.

MD&A

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements consist of two components: 1) fund financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The Town is a special-purpose entity engaged only in governmental activities. Accordingly, only fund financial statements are presented as the basic financial statements.

Effective, January 1, 2004, the Town adopted Governmental Accounting Standards (GASB) Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments*.

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

USING THIS ANNUAL REPORT

The Town's annual report consists of financial statements that show information about the Town's funds, enterprise funds and governmental funds.

Our accountant has provided assurance in his independent accountant's report, located immediately following this Management's Discussion and Analysis, that the basic financial statements are fairly stated. Varying degrees of assurance are being provided by the accountant regarding the other information included in this report. A user of this report should read the independent accountant's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

Reporting the Town's Most Significant Funds

The Town's financial statements provide detailed information about the most significant funds. The Town may establish other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other money. The Town's enterprise fund uses the following accounting approach:

All of the Town's services are reported in an enterprise fund. They are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The focus of proprietary funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

MD&A

GOVERNMENTAL FUNDS

Comparative Statement of Net Position as of June 30, 2014:

	2013	2014	% Change
Assets			
Cash & Investments	\$ 87,553	\$ 108,322	23.7
Receivables	13,868	13,634	-1.7
Capital Assets, Net of Accumulated Depreciation	143,204	147,998	3.4
Total Assets	<u>244,625</u>	<u>269,954</u>	10.4
Liabilities & Net Assets			
Accounts, Salaries, & Other Payables	6,094	8,265	35.6
Current Bonds & Notes Payable	2,900	4,000	37.9
Non-Current Bonds & Notes Payable	13,100	8,000	-38.9
Total Liabilities	<u>22,094</u>	<u>20,265</u>	-8.3
Net Position			
Net Investment in Capital Assets	127,204	135,998	6.9
Restricted For Debt Service	40,352	44,359	9.9
Unrestricted	54,975	69,332	26.1
Total Net Position	<u>\$ 222,531</u>	<u>\$ 249,689</u>	12.2

Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances for the year ended June 30, 2014:

	2013	2014	% Change
Revenues			
Fees & Charges	\$ 67,199	\$ 72,956	8.6
Taxes	16,458	24,657	49.8
Fines	46,732	61,518	31.6
Grants	97,251	33,977	-65.1
Interest	293	221	-24.6
Other	8,758	25,259	188.4
Total Revenues	<u>236,691</u>	<u>218,588</u>	-7.7
Expenditures			
General & Administrative	179,958	113,346	-37.0
Police Expense	6,750	9,909	46.8
Recreational	62,571	16,620	-73.4
Fire	4,816	7,668	59.2
Street & Sanitation	6,502	25,833	297.3
Capital Outlay	-0-	31,531	100.0
Debt Service	2,900	4,800	65.5
Total Expenditures	<u>263,497</u>	<u>209,707</u>	-20.4
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(26,806)</u>	<u>8,881</u>	133.1
Transfers In (Out)	<u>50,096</u>	<u>9,483</u>	-81.1
Net Change in Fund Balance	23,290	18,364	-21.2
Fund Balances--Beginning	72,037	95,327	32.3
Fund Balances--Ending	<u>\$ 95,327</u>	<u>\$ 113,691</u>	19.3

MD&A

ENTERPRISE FUNDS

Comparative Statement of Net Position as of June 30, 2014:

	2013	2014	% Change
Current Assets			
Cash & Cash Equivalents	\$ 17,543	\$ 20,440	16.5
Investments	36,076	44,948	24.6
Receivables (Net of Allowances For Uncollectable)	32,458	31,633	-2.5
Total Current Assets	<u>86,077</u>	<u>97,021</u>	12.7
Non-Current Assets			
Restricted Assets	142,974	126,990	-11.2
Capital Assets (Net of Accumulated Depreciation)	3,432,089	3,291,224	-4.1
Total Non-Current Assets	<u>3,575,063</u>	<u>3,418,214</u>	-4.4
Total Assets	<u>3,661,140</u>	<u>3,515,235</u>	-4.0
Current Liabilities			
Accounts, Salaries, & Other Payables	5,486	10,158	85.2
Due to Agency	4,058	3,091	-23.8
Total Current Liabilities	<u>9,544</u>	<u>13,249</u>	38.8
Current Liabilities Payable From Restricted Assets			
Customer Deposits	24,709	25,709	4.1
Accrued Interest	10,463	9,776	-6.6
Current Principle Payable	19,635	21,286	8.4
Total Current Liabilities Payable From Restricted Assets	<u>54,807</u>	<u>56,771</u>	3.6
Non-Current Liabilities			
Revenue Bonds	344,574	321,637	-6.7
Total Non-Current Liabilities	<u>344,574</u>	<u>321,637</u>	-6.7
Total Liabilities	<u>408,925</u>	<u>391,657</u>	-4.2
Net Position			
Net Investment in Capital Assets	3,067,880	2,948,301	-3.9
Restricted For Debt Service	98,750	80,802	-18.2
Unrestricted	85,585	94,475	10.4
Total Net Position	<u>\$ 3,252,215</u>	<u>\$ 3,123,578</u>	-4.0

MD&A

ENTERPRISE FUNDS

Comparative Statement of Revenues, Expenses & Changes in Net Position for the year ended June 30, 2014:

	<u>2013</u>	<u>2014</u>	<u>% Change</u>
Operating Revenues			
Water Sales	\$ 169,173	\$ 177,090	4.7
Sewer Charges	194,424	186,585	-4.0
Total Operating Revenues	<u>363,597</u>	<u>363,675</u>	0.0
Operating Expenses			
Administration	95,312	159,533	67.4
Operations	207,990	186,609	-10.3
Depreciation	141,343	140,865	-0.3
Total Operating Expenses	<u>444,645</u>	<u>487,007</u>	9.5
Operating Income (Loss)	<u>(81,048)</u>	<u>(123,332)</u>	-52.2
Non-Operating Revenues (Expenses)			
Interest Earnings	299	255	-14.7
Interest Expense	(22,232)	(21,077)	-5.2
Total Non-Operating Revenues (Expenses)	<u>(21,933)</u>	<u>(20,822)</u>	5.1
Income (Loss) Before Contributions & Transfers	(102,981)	(144,154)	40.0
Transfers In/(Out)	(50,096)	(9,483)	-81.1
Capital Contributions	<u>-0-</u>	<u>25,000</u>	100.0
Change In Net Position	(153,077)	(128,637)	16.0
Total Net Position – Beginning	<u>3,405,292</u>	<u>3,252,215</u>	-4.5
Total Net Position – Ending	<u>\$ 3,252,215</u>	<u>\$ 3,123,578</u>	-4.0

MD&A

CAPITAL ASSETS

Capital Assets – Governmental Fund

At June 30, 2014, the Town had \$147,998 invested in capital assets, including equipment.

Capital Assets at Year-End			
	2013	2014	
Equipment	\$ 482,987	\$ 512,518	
Land	-0-	2,000	
Accumulated Depreciation	(339,783)	(366,520)	
Total	\$ 143,204	\$ 147,998	

*Land in the amount of \$2,000 is not being depreciated.

Capital Assets – Enterprise Fund

At June 30, 2014, the Town had \$3,291,224 invested in capital assets, including the sewer system, machinery, and equipment.

Capital Assets at Year-End			
	2013	2014	
Sewer System	\$ 3,219,376	\$ 3,219,376	
Water System	2,130,891	2,130,891	
Accumulated Depreciation	(1,918,178)	(2,059,043)	
Total	\$ 3,432,089	\$ 3,291,224	

CHANGES IN LONG-TERM DEBT

The following is a summary of bond transactions of the Town of Urania for the year ended June 30, 2014:

	General Obligation		Revenue		
	Public Improvement	Public Improvement District #1	Water	Sewer	Total
Bonds Payable 06/30/2013	\$ 8,000	\$ 8,000	\$ 319,210	\$ 45,000	\$ 380,210
Principal Retirement	(2,000)	(2,000)	(11,286)	(10,000)	(25,286)
Bonds Payable 06/30/2014	\$ 6,000	\$ 6,000	307,924	35,000	354,924

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT:

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the entity's finances and to show that the entity's accountability for the money it receives. If you have questions about this report or need additional information, contact Mayor Terri Corley at the Town Hall, phone number (318) 495-3452.



BASIC FINANCIAL STATEMENTS

TOWN OF URANIA, LOUISIANA
Statement of Net Position
June 30, 2014

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
CURRENT ASSETS			
Cash	\$ 48,395	\$ 20,440	\$ 68,835
Investments	15,568	44,948	60,516
Receivables (Net of Allowances For Uncollectible)	13,634	31,633	45,267
TOTAL CURRENT ASSETS	<u>77,597</u>	<u>97,021</u>	<u>174,618</u>
NON-CURRENT ASSETS			
Restricted Assets	44,359	126,990	171,349
Capital Assets (Net of Accumulated Depreciation)	147,998	3,291,224	3,439,222
TOTAL NON-CURRENT ASSETS	<u>192,357</u>	<u>3,418,214</u>	<u>3,610,571</u>
TOTAL ASSETS	<u>269,954</u>	<u>3,515,235</u>	<u>3,785,189</u>
CURRENT LIABILITIES			
Accounts, Salaries, & Other Payables	8,265	10,158	18,423
Due to Agency	-0-	3,091	3,091
TOTAL CURRENT LIABILITIES	<u>8,265</u>	<u>13,249</u>	<u>21,514</u>
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS			
Customer Deposits	-0-	25,709	25,709
Accrued Interest	-0-	9,776	9,776
Current Bonds & Notes Payable	4,000	21,286	25,286
TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	<u>4,000</u>	<u>56,771</u>	<u>60,771</u>
NON-CURRENT LIABILITIES			
Bonds & Notes Payable	8,000	321,637	329,637
TOTAL NON-CURRENT LIABILITIES	<u>8,000</u>	<u>321,637</u>	<u>329,637</u>
TOTAL LIABILITIES	<u>20,265</u>	<u>391,657</u>	<u>411,922</u>
NET POSITION			
Net Investment in Capital Assets	135,998	2,948,301	3,084,299
Restricted For Debt Service	44,359	80,802	125,161
Unrestricted	69,332	94,475	163,807
TOTAL NET POSITION	<u>\$ 249,689</u>	<u>\$ 3,123,578</u>	<u>\$ 3,373,267</u>

The accompanying notes are an integral part of this statement.

TOWN OF URANIA, LOUISIANA
Statement of Activities
For the Year Ended June 30, 2014

	PROGRAM REVENUES				NET REVENUES (EXPENSES) & CHANGES OF PRIMARY GOVERNMENT		
	Expenses	Charges for Services	Capital Grants & Contributions	Net (Expenses) Revenue	Governmental Activities	Business Type Activities	Total Activities
Governmental Activities							
General Government	\$ (200,113)	\$ 72,956	\$ 33,977	\$ (93,180)	\$ (93,180)	\$	\$ (93,180)
Interest on Long-Term Debt	(800)	-0-	-0-	(800)	(800)		(800)
Total Governmental Activities	<u>(200,913)</u>	<u>72,956</u>	<u>33,977</u>	<u>(93,980)</u>	<u>(93,980)</u>		<u>(93,980)</u>
Business Type Activities							
Water & Sewer	(487,007)	363,675	25,000	(98,332)		(98,332)	(98,332)
Interest on Long-Term Debt	(21,077)	-0-	-0-	(21,077)		(21,077)	(21,077)
Total Business Type Activities	<u>(508,084)</u>	<u>363,675</u>	<u>25,000</u>	<u>(119,409)</u>		<u>(119,409)</u>	<u>(119,409)</u>
Total Primary Government	<u>\$ (708,997)</u>	<u>\$ 436,631</u>	<u>\$ 58,977</u>	<u>\$ (213,389)</u>			<u>(213,389)</u>
General Revenues							
Fines					61,518	-0-	61,518
Taxes					24,657	-0-	24,657
Interest Income					221	255	476
Donations					19,828	-0-	19,828
Other Income					5,431	-0-	5,431
Transfers In (Out)					9,483	(9,483)	-0-
Total General Revenues					<u>121,138</u>	<u>(9,228)</u>	<u>111,910</u>
Change in Net Position					27,158	(128,637)	(101,479)
Net Position - Beginning					222,531	3,252,215	3,474,746
Net Position - Ending					<u>\$ 249,689</u>	<u>\$ 3,123,578</u>	<u>\$ 3,373,267</u>

The accompanying notes are an integral part of this statement.

TOWN OF URANIA, LOUISIANA
Balance Sheet, Governmental Funds
June 30, 2014

	GENERAL FUND	DEBT SERVICE NON-MAJOR	TOTAL
ASSETS			
Cash	\$ 48,395	\$ -0-	\$ 48,395
Investments	15,568	-0-	15,568
Investments - Restricted	-0-	44,359	44,359
Receivables (Net of Allowances For Uncollectible)	13,634	-0-	13,634
TOTAL ASSETS	<u>77,597</u>	<u>44,359</u>	<u>121,956</u>
LIABILITIES			
Accounts, Salaries, & Other Payables	8,265	-0-	8,265
TOTAL LIABILITIES	<u>8,265</u>	<u>-0-</u>	<u>8,265</u>
FUND BALANCE			
Restricted For Debt Service	-0-	44,359	44,359
Unassigned	69,332	-0-	69,332
TOTAL FUND BALANCE	<u>69,332</u>	<u>44,359</u>	<u>113,691</u>
TOTAL LIABILITIES & FUND BALANCE	<u>\$ 77,597</u>	<u>\$ 44,359</u>	<u>\$ 121,956</u>

The accompanying notes are an integral part of this statement.

TOWN OF URANIA, LOUISIANA
Reconciliation of the Government Funds Balance Sheet
to the Government-Wide Financial Statement of Net Position
June 30, 2014

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund Balance, Total Governmental Funds (Statement C)	\$ 113,691
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	147,998
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Other	<u>(12,000)</u>
Net Position of Governmental Activities (Statement A)	<u>\$ 249,689</u>

The accompanying notes are an integral part of this statement.

TOWN OF URANIA, LOUISIANA
Statement of Revenues, Expenditures &
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014

	GENERAL	DEBT SERVICE NON-MAJOR	TOTAL
REVENUES			
Fees & Charges	\$ 72,956	\$ -0-	\$ 72,956
Taxes	15,904	8,753	24,657
Fines	61,518	-0-	61,518
Grants	33,977	-0-	33,977
Interest	168	53	221
Donations	19,828	-0-	19,828
Other	5,431	-0-	5,431
TOTAL REVENUES	<u>209,782</u>	<u>8,806</u>	<u>218,588</u>
EXPENDITURES			
General & Administrative	113,346	-0-	113,346
Police Expense	9,909	-0-	9,909
Recreational	16,620	-0-	16,620
Fire	7,668	-0-	7,668
Street & Sanitation	25,833	-0-	25,833
Capital Outlay	31,531	-0-	31,531
Debt Service	-0-	4,800	4,800
TOTAL EXPENDITURES	<u>204,907</u>	<u>4,800</u>	<u>209,707</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>4,875</u>	<u>4,006</u>	<u>8,881</u>
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	9,483	-0-	9,483
TOTAL OTHER FINANCING SOURCES (USES)	<u>9,483</u>	<u>-0-</u>	<u>9,483</u>
NET CHANGE IN FUND BALANCE	14,358	4,006	18,364
FUND BALANCES--BEGINNING	54,974	40,353	95,327
FUND BALANCES--ENDING	<u>\$ 69,332</u>	<u>\$ 44,359</u>	<u>\$ 113,691</u>

The accompanying notes are an integral part of this statement.

TOWN OF URANIA, LOUISIANA
Reconciliation of the Statement of Revenues, Expenditures,
& Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2014

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total Governmental Funds, Statement E	\$	18,364
--------------------------------------------------------------------	----	--------

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		Capital Outlay 31,531		
		Current Depr. <u>(26,737)</u>		4,794

The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.				4,000
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	--	--	-------

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.				<u>-0-</u>
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	--	--	------------

Changes in Net Position of Governmental Activities, Statement B	\$	<u>27,158</u>
-----------------------------------------------------------------	----	---------------

The accompanying notes are an integral part of this statement.

TOWN OF URANIA, LOUISIANA
Statement of Net Position, Proprietary Funds
June 30, 2014

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS (MAJOR ENTERPRISE FUNDS) WATER & SEWER FUND
CURRENT ASSETS	
Cash & Cash Equivalents	\$ 20,440
Investments	44,948
Receivables (Net of Allowances For Uncollectable)	31,633
TOTAL CURRENT ASSETS	<u>97,021</u>
NON-CURRENT ASSETS	
Restricted Assets	126,990
Capital Assets (Net of Accumulated Depreciation)	3,291,224
TOTAL NON-CURRENT ASSETS	<u>3,418,214</u>
TOTAL ASSETS	<u>3,515,235</u>
CURRENT LIABILITIES	
Accounts, Salaries, & Other Payables	10,158
Due to Agency	3,091
TOTAL CURRENT LIABILITIES	<u>13,249</u>
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	
Customer Deposits	25,709
Accrued Interest	9,776
Current Principle Payable	21,286
TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	<u>56,771</u>
NON-CURRENT LIABILITIES	
Revenue Bonds	321,637
TOTAL NON-CURRENT LIABILITIES	<u>321,637</u>
TOTAL LIABILITIES	<u>391,657</u>
NET POSITION	
Net Investment in Capital Assets	2,948,301
Restricted For Debt Service	80,802
Unrestricted	94,475
TOTAL NET POSITION	<u>\$ 3,123,578</u>

The accompanying notes are an integral part of this statement.

TOWN OF URANIA, LOUISIANA
Statement of Revenues, Expenses & Changes in Net Position
Proprietary Funds
June 30, 2014

	BUSINESS-TYPE ACTIVITIES- ENTERPRISE FUNDS (MAJOR ENTERPRISE FUNDS) WATER & SEWER FUND
OPERATING REVENUES	
Water Sales	\$ 177,090
Sewer Charges	186,585
TOTAL OPERATING REVENUES	<u>363,675</u>
OPERATING EXPENSES	
Administration	159,533
Operations	186,609
Depreciation	140,865
TOTAL OPERATING EXPENSES	<u>487,007</u>
OPERATING INCOME (LOSS)	<u>(123,332)</u>
NON-OPERATING REVENUES (EXPENSES)	
Interest Earnings	255
Interest Expense	(21,077)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(20,822)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS & TRANSFERS	(144,154)
TRANSFERS IN/(OUT)	(9,483)
CAPITAL CONTRIBUTIONS	<u>25,000</u>
CHANGE IN NET POSITION	(128,637)
TOTAL NET POSITION – BEGINNING	3,252,215
TOTAL NET POSITION – ENDING	<u><u>\$ 3,123,578</u></u>

The accompanying notes are an integral part of this statement.

TOWN OF URANIA, LOUISIANA
Statement of Cash Flows
Proprietary Funds
June 30, 2014

	BUSINESS-TYPE ACTIVITIES- ENTERPRISE FUNDS (MAJOR ENTERPRISE FUNDS) WATER & SEWER FUND
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts From Customers & Users	\$ 365,500
Payments to Suppliers & Employees	(343,124)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>22,376</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers To Other Funds	(9,483)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(9,483)</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES	
Capital Grants	25,000
Capital Purchases	-0-
Principal on Capital Debt	(21,286)
Interest Paid on Capital Debt	(21,077)
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	<u>(17,363)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
(Increase) Decrease in Investments & Restricted Funds	7,112
Interest & Dividends Received	255
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>7,367</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	2,897
CASH & CASH EQUIVALENTS, BEGINNING OF YEAR	<u>17,543</u>
CASH & CASH EQUIVALENTS, END OF YEAR	<u>20,440</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating Income (Loss)	(123,332)
Depreciation Expense	140,865
(Increase) Decrease in Accounts Receivable	825
Increase (Decrease) in Accounts Payable	4,672
Increase (Decrease) in Due to Agency	(967)
Increase (Decrease) in Accrued Interest	(687)
Increase (Decrease) Customer Deposits	1,000
TOTAL ADJUSTMENTS	<u>145,708</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ <u>22,376</u>

The accompanying notes are an integral part of this statement.

TOWN OF URANIA, LOUISIANA
Statement of Net Position
Fiduciary Funds
June 30, 2014

		PAYROLL AGENCY FUND
ASSETS		
Cash & Cash Equivalents	\$	2,170
Due From Enterprise Fund		3,091
TOTAL ASSETS		<u>5,261</u>
LIABILITIES		
Accrued Payroll & Related		5,261
TOTAL LIABILITIES		<u>5,261</u>
NET POSITION		
Held in Trust	\$	<u>-0-</u>

The accompanying notes are an integral part of this statement.

**NOTES TO THE BASIC
FINANCIAL STATEMENTS**

TOWN OF URANIA, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Urania was incorporated under the provisions of the Lawrason Act. The entity operates under the Mayor-Board of Alderman form of government. The entity provides the following significant services to its residents as provided by its charter: public safety (police and fire), highways and streets, utilities (water, gas and sewer services) and general administrative functions, including coordination of related services with parish, state and federal governing bodies.

The accounting and reporting policies of the Town of Urania conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

Impact of Recently Issued Accounting Principles

In December 2010, the GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASBS No. 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. This Statement is effective for periods beginning after December 15, 2011, and has been implemented in fiscal year 2012. The adoption of GASBS No. 62 does not have any impact on the Authority's financial statements.

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASBS No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The Statement of Net Assets is renamed the Statement of Net Position and includes the following elements: assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. This Statement is effective for periods beginning after December 15, 2011, and has been implemented in fiscal year 2012. The adoption of GASBS No. 63 does not have any impact on the Authority's financial statements.

Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

TOWN OF URANIA, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

A. GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of changes in Net Position) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meetings the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, & FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

TOWN OF URANIA, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The municipality reports the following major governmental funds:

The General Fund is the municipality's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The municipality reports the following major proprietary funds:

- Water and Sewer Fund

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges for services and sales taxes. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Town has a policy of applying expenses to restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

TOWN OF URANIA, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

C. FIXED ASSETS & LONG-TERM LIABILITIES

For the year ended June 30, 2014, no interest costs were capitalized for construction of fixed assets.

Depreciation of all exhaustible fixed assets is charged as an expense against its operations. Accumulated depreciation is reported on the proprietary fund balance sheet and governmental fund Statement of Activities. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

	<u>Life In Years</u>
Water System	40
Sewer System	40
Buildings	40
Equipment	5-10

D. CASH, CASH EQUIVALENTS, & INVESTMENTS

All cash and investments (CD's over 90 days) are reported at cost and are on deposit at federally insured banks.

It is the Town's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The Town's deposits are categorized to give an indication of the level of risk assumed by the Town at fiscal year-end. All deposits were secured at the year-end. The categories are described as follows:

- *Category 1* – Insured or collateralized with securities held by the Town or by its agent in the Town's name.
- *Category 2* – Collateralized with securities held by the pledging financial institution's trust department or agent in the Town's name.
- *Category 3* – Uncollateralized.

Total Cash	\$ <u>310,110</u>
FDIC (<i>Category 1</i>)	310,110
Securities (<i>Category 2</i>)	55,654
Uncollateralized (<i>Category 3</i>)	-0-
Total Secured	\$ <u>365,764</u>

E. INVENTORIES

Immaterial amounts of inventory are maintained for general fund and enterprise fund operations and, accordingly, these supplies are expensed as purchased.

TOWN OF URANIA, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

F. ACCOUNTS RECEIVABLE & ALLOWANCE FOR BAD DEBTS

At June 30, 2014, no reserve for bad debts in the general fund was required since the estimated uncollectible receivables outstanding were considered immaterial.

	Enterprise Fund	Governmental Fund
	Water & Sewer Fund	General Fund
Fees & Charges	\$ -0-	\$ 13,634
Customer	33,024	-0-
Allowance	(1,361)	-0-
Total	\$ 31,663	\$ 13,634

G. COMPENSATED ABSENCES

The entity has no compensated absence policy.

H. RESTRICTED NET POSITION

The entity records restricted net position to indicate that a portion of its net position balances are legally restricted for a specific future use. The following is a list of such restrictions and a description of each:

Restricted - Revenue Bonds

This amount represents monies restricted as required by the revenue bond indentures.

Restricted for Debt Service

Certain assets have been restricted in the Debt Service Fund for future payment of long-term liabilities of the governmental funds.

(2) AD VALOREM TAXES

The entity levies taxes on real and business personal property located within its boundaries. The entity utilizes the services of the LaSalle Parish Tax Assessor to assess the property values and prepare the entity's property tax roll. The entity bills and collects its own property taxes.

Property Tax Calendar

Assessment Date	January 1
Levy Date	No Later Than June 1
Tax Bills Mailed	On or About October 15
Total Taxes Are Due	December 31
Penalties and Interest are Added	January 1
Lien Date	January 1

TOWN OF URANIA, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2014, taxes of 6.04 mills were levied against property having a valuation of some \$2,653,840 which produced some \$16,031 in revenue.

Ad Valorem Taxes are broken down as follows:

	<u>Mills</u>
Urania Sewer District	3.25
Urania General Alimony	2.79
Total	<u>6.04</u>

(3) RESTRICTED ASSETS - PROPRIETARY FUND TYPES

At June 30, 2014, restricted assets of the Enterprise Funds were invested in either interest bearing checking accounts or time deposits and were restricted for the following purposes:

	<u>Water</u>	<u>Sewer</u>
Bond Sinking	\$ 17,997	\$ 9,928
Meter Deposit	15,126	-0-
Bond Reserve	30,839	13,297
Depreciation & Contingencies	38,140	1,664
Total	<u>\$ 102,102</u>	<u>\$ 24,889</u>

(4) FIXED ASSETS

PROPERTY ENTERPRISE FUND: PLANT AND EQUIPMENT

A summary of enterprise fund property, plant and equipment at June 30, 2014, is as follows:

	<u>Balance 6-30-2013</u>	<u>Additions (Deletions)</u>	<u>Balance 6-30-2014</u>
Water System	\$ 2,130,891	\$ -0-	\$ 2,130,891
Water Accumulated Depreciation	(939,569)	(59,494)	(999,063)
Net	<u>1,191,322</u>	<u>(59,494)</u>	<u>1,131,828</u>
 Sewer Plant	 3,219,376	 -0-	 3,219,376
Sewer Accumulated Depreciation	(978,609)	(81,371)	(1,059,980)
Net	<u>\$ 2,240,767</u>	<u>\$ (81,371)</u>	<u>\$ 2,159,396</u>

Enterprise fund assets are depreciated on the straight-line basis using the following useful lives:

Sewer Plant	40 Years
Water Plant	40 Years
Equipment	5-10 Years

TOWN OF URANIA, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

GOVERNMENTAL FUND

A summary of governmental fund depreciable assets at June 30, 2014, is as follows:

	Balance 6-30-2013	Additions (Deletions)	Balance 6-30-2014
Equipment	\$ 482,987	\$ 29,531	\$ 512,518
Land	-0-	2,000	2,000
Accumulated Depreciation	(339,783)	(26,737)	(366,520)
Net	\$ 143,204	\$ 4,794	\$ 147,998

*Land in the amount of \$2,000 is not being depreciated

Government fund assets are depreciated on the straight-line basis using the following useful lives:

Equipment	5-10 Years
Buildings	40 Years

(5) CHANGES IN LONG-TERM DEBT

The following is a summary of bond transactions of the Town of Urania for the year ended June 30, 2014:

	General Obligation		Revenue		
	Public Improvement	Public Improvement District #1	Water	Sewer	Total
Bonds Payable 06/30/2013	\$ 8,000	\$ 8,000	\$ 319,210	\$ 45,000	\$ 380,210
Principal Retirement	(2,000)	(2,000)	(11,286)	(10,000)	(25,286)
Bonds Payable 06/30/2014	\$ 6,000	\$ 6,000	\$ 307,924	\$ 35,000	\$ 354,924

Notes and bonds payable at June 30, 2014 are comprised of the following individual issues:

General Obligation Bonds Administer by the Debt Service Fund:

Two 1977 issues of \$42,935 each serial bonds due in annual installments of \$1,000, increasing to \$3,000 annually at maturity at September 28, 2016; interest at 5%. \$ 12,000

Revenue bonds administered by the Water and Sewer Enterprise Fund:

\$197,400 sewer serial bonds due annually in installments of \$2,935, increasing in increments of \$1,000 to \$12,935 annually at maturity at September 28, 2016; interest at 5%. 35,000

\$454,000 water serial bonds issued November 14, 1990, 40 year maturity, \$44,000 @ 6% with annual installments of \$2,944 and \$410,000 @ 6.25% with annual installments of \$27,855. 307,924

Total **\$ 354,924**

TOWN OF URANIA, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

Provision of Revenue Bond Indenture

Under the terms of the bond indenture on outstanding utility bonds, all income and revenues of every nature are pledged and dedicated to the retirement of said bonds and are to be set aside into the following special funds:

- (a) On or before the 20th of each month, there will be set aside into a fund called the “Revenue Bond and Interest Sinking Fund” an amount constituting one-twelfth of the next maturing installment of principal and interest. Such transfers shall be fully sufficient to assure the prompt payment of principal and
- (b) On or before the 20th of each month, there shall be set aside into a “Bond Reserve Fund” for the sewer bonds, and amount equal to 5% of the amount not be paid into the sinking fund until \$13,200 has been accumulated. For the water bonds, a sum of 5% of the monthly payment being made into the sinking fund must be deposited monthly into the “Reserve Fund” until it equals the highest combined annual debt service in any future year on all outstanding bonds. Such amounts may be used only for the payment of maturing bonds in the “Bond and Interest Sinking Fund” and as to which there would otherwise be default.
- (c) Funds will also be set aside into a “Depreciation and Contingency Fund” at the rate of \$68 per month for the sewer bonds and \$588 per month for the water bonds. Money in this fund may be used for the making of extraordinary repairs as replacements to the systems, which are necessary to keep the systems in operating condition, and is not available for maintenance and operating expenses.

Provisions of General Obligation Bond Indenture

These bonds constitute a general obligation of the entity and the full faith and credit of the entity is pledged for the repayment of these bonds. The bonds are secured by a special tax to be imposed and collected annually in excess of all other taxes on all the property subject to taxation within the territorial limits of the entity sufficient to pay the principal and interest.

TOWN OF URANIA, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

Annual Requirements to Amortize all Debts

The annual requirements to amortize all debt outstanding as of June 30, 2014, including interest payments are as follows:

Year Ending June 30,	G.O. Bonds	Sewer/Water Revenue Bonds	Total
2015	4,600	43,549	48,149
2016	4,400	43,999	48,399
2017	-0-	30,799	30,799
2018	-0-	30,799	30,799
2019	-0-	30,799	30,799
2020-2024	-0-	153,995	153,995
2025-2029	-0-	153,995	153,995
2030-2034	-0-	30,799	30,799
Total	\$ 9,000	\$ 518,734	\$ 527,734

(6) DUE FROM (TO) OTHER FUNDS

	Due From Other Funds	Due To Other Funds
Debt Service Fund	\$ -0-	\$ -0-
Enterprise Fund	-0-	(3,091)
Agency Fund	3,091	-0-
Total	\$ 3,091	\$ (3,091)

The amounts due to the Agency Fund are to pay payroll related expenses.

(7) USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(8) ENCUMBRANCES

The entity does not utilize encumbrance accounting.

TOWN OF URANIA, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

(9) RETIREMENT PLANS

The entity does not offer its employees a retirement plan. All employees are in the social security system.

(10) TRANSFERS

Transfers between funds were made for operational purposes.

(11) CHANGES IN FIDUCIARY NET POSITION

The following are the transactions for the Payroll Agency Fund for the year:

Additions	
Contributions	\$ 177,554
Total Additions	<u>177,554</u>
Deductions	
Payroll & taxes	(177,554)
Total Deductions	<u>(177,554)</u>
Change in Net Position	-0-
Net Position-Beginning	-0-
Net Position-Ending	\$ <u>-0-</u>

TOWN OF URANIA, LOUISIANA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

(12) ELECTED OFFICIAL'S SALARIES

<u>Name</u>	<u>Title</u>	<u>Term of Office</u>	<u>Annualized Salary</u>
Terri Corley PO Box 654 Urania, LA 71480	Mayor	01/01/07 - 01/01/15	\$9,600
Pat McDougald PO Box 615 Urania, LA 71480	Board Member	01/01/07 - 01/01/15	\$240
Stacie Strain PO Box 351 Urania, LA 71480	Board Member	01/01/07 - 01/01/15	\$240
Jesse Powers, Jr PO Box 346 Urania, LA 71480	Board Member	07/07/08 - 01/01/15	\$240
Dawn Book PO Box 429 Urania, LA 71480	Board Member	08/04/08 - 01/01/15	\$240
William "Bill" Brown PO Box 577 Urania, LA 71480	Board Member	01/01/11 - 01/01/15	\$240
Wayne Corley PO Box 654 Urania, LA 71480	Chief of Police	01/01/07 - 01/01/15	\$24,000

TOWN OF URANIA, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

(13) WATER AND SEWER RATES

The Town of Urania has the following water and sewer rates. The deposit amounts are listed below:

Renter	\$ 250
Owner	\$ 100

<u>Water: (315 Customers)</u>	<u>Minimum Charge</u>	<u>Next</u>
Residential	\$ 25.00 for 1 st 2,000 gallons water used	\$5.00 per 1,000 gallons used thereafter
Commercial	\$ 50.00 for 1 st 2,000 gallons water used	\$5.00 per 1,000 gallons used thereafter
Industrial & Institutional Users	\$100.00 for 1 st 2,000 gallons water used	\$5.00 per 1,000 gallons used thereafter
<u>Sewer: (277 Customers)</u>		
Residential	Flat rate of \$18.50	
Commercial	Flat rate of \$50.00	
Industrial & Institutional Users	\$600.00 for 1 st 25,000 gallons water used	\$3.00 per 1,000 gallons used thereafter
School	Flat rate of \$150.00	

**REQUIRED SUPPLEMENTAL
INFORMATION**

TOWN OF URANIA, LOUISIANA
Statement of Revenues, Expenditures, & Changes in Fund Balance
Budget & Actual
General Fund
For the Year Ended June 30, 2014

	BUDGET AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	BUDGET VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES				
Fees & Charges	\$ 47,500	\$ 55,000	\$ 72,956	\$ 17,956
Taxes	9,000	8,000	15,904	7,904
Fines	41,000	60,000	61,518	1,518
Grants	67,000	62,500	33,977	(28,523)
Interest	-0-	-0-	168	168
Other	14,100	25,000	25,259	259
TOTAL REVENUES	<u>178,600</u>	<u>210,500</u>	<u>209,782</u>	<u>(718)</u>
EXPENDITURES				
General & Administrative	102,000	137,500	113,346	24,154
Police Expense	8,000	8,000	9,909	(1,909)
Recreational	55,000	20,000	16,620	3,380
Fire	6,000	10,000	7,668	2,332
Street & Sanitation	7,000	5,000	25,833	(20,833)
Capital Outlay	600	30,000	31,531	(1,531)
TOTAL EXPENDITURES	<u>178,600</u>	<u>210,500</u>	<u>204,907</u>	<u>5,593</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-0-</u>	<u>-0-</u>	<u>4,875</u>	<u>4,875</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	<u>-0-</u>	<u>-0-</u>	<u>9,483</u>	<u>9,483</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-0-</u>	<u>-0-</u>	<u>9,483</u>	<u>9,483</u>
NET CHANGE IN FUND BALANCE	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>14,358</u>	<u>\$ 14,358</u>
FUND BALANCES--BEGINNING			<u>54,974</u>	
FUND BALANCES--ENDING			<u>\$ 69,332</u>	

The accompanying notes are an integral part of this statement.



OTHER REPORTS

John R. Vercher C.P.A.
jrv@centurytel.net

Jonathan M. Vercher M.S., C.P.A.
jonathanvercher@centurytel.net

David R. Vercher M.B.A., C.P.A.
davidvercher@ymail.com

THE VERCHER GROUP

*A Professional Corporation of
Certified Public Accountants*

P.O. Box 1608
1737 N 2nd St. – Suite A
Jena, Louisiana 71342
Tel: (318) 992-6348
Fax: (318) 992-4374

MEMBERS

American Institute of
Certified Public Accountants

Society of Louisiana
Certified Public Accountants

INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Terri Corley, Mayor
Town of Urania
PO Box 339
Urania, LA 71480

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Town of Urania, Louisiana, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town’s basic financial statements and have issued our report thereon dated August 28, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Urania's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Urania's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Urania’s internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. **(2014-I-1 Small Size of Entity).**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Urania's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the audit committee, management, federal awarding agencies and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a public document and its distribution is not limited.

The Vercher Group

Jena, Louisiana

August 28, 2014

TOWN OF URANIA, LOUISIANA

**SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Year Ended June 30, 2014**

We have audited the basic financial statements of the Town of Urania, Louisiana, as of and for the year ended June 30, 2014, and have issued our report thereon dated August 28, 2014. We conducted our audit in accordance with generally accepted auditing standards in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2014, resulted in an unmodified report.

Section I - Summary of Auditor's Results

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses ☐ Yes ☒ No Other Conditions ☒ Yes ☐ No

Compliance

Compliance Material to Financial Statements ☐ Yes ☒ No

b. Federal Awards (Not Applicable)

Internal Control

Material Weaknesses ☐ Yes ☐ No Other Conditions ☐ Yes ☐ No

Type of Opinion On Compliance Unmodified ☐ Qualified ☐

For Major Programs Disclaimer ☐ Adverse ☐

Are the finding required to be reported in accordance with Circular A-133, Section .510(a)?

☐ Yes ☐ No

c. Identification Of Major Programs:

CFDA Number (s)

Name Of Federal Program (or Cluster)

Dollar threshold used to distinguish between Type A and Type B Programs:

\$ 300,000

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133?

☐ Yes ☐ No

TOWN OF URANIA, LOUISIANA

**SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)
For the Year Ended June 30, 2014**

Section II Financial Statement Findings

2014-I-1 Small Size of Entity (Internal Control)

Condition: Because of the small size of the Town and the lack of separation of duties of employees, many of the important elements of good internal controls cannot always be achieved to ensure adequate protection of the Town's cash.

Criteria: Important elements of good internal controls often require that the same employee does not handle the functions of accounting, collections, billing, receiving and check writing.

Cause of Condition: Small size of entity and lack of employees.

Effect of Condition: Significant deficiency in internal controls.

Recommendation: We recommend that management continue to provide the necessary oversight in its current internal control procedures, specifically in the areas of cash receipts, collection receipt activities, recordation of those receipts, depositing of funds collected, and review of checks written.

Client Response and Corrective Action: Management will continue to provide the necessary oversight in its current internal control procedures, specifically in the areas of cash receipts, collection receipt activities, recordation of those receipts, depositing of funds collected, and review of checks written.

Contact Person: Terri Corley

Anticipated Completion Date: June 30, 2015

TOWN OF URANIA, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)

For the Year Ended June 30, 2014

Section II Financial Statement Findings

Not Applicable

Section III Federal Awards Findings and Questioned Costs

Not Applicable.

TOWN OF URANIA, LOUISIANA

MANAGEMENT LETTER COMMENTS

During the course of our audit, we observed conditions and circumstances that may be improved. Below are situations that may be improved (if any) and recommendations for improvements.

CURRENT YEAR MANAGEMENT LETTER COMMENTS

2014-M-1 Deletion of Old Transactions

Comment: Old outstanding checks in the Town's bank accounts should be adjusted off of the books.

Client Response: The Town will adjust old outstanding checks from the books of the Town's funds.

2014-M-2 Debt Service Fund

Comment: The Town's general obligation bonds have a balance of \$12,000 as of June 30, 2014, and the debt service fund has adequate funds to pay the remaining balance. We recommend the Town pay-off the bonds and reduce the millage rate to -0-.

Client Response: The Town will pay off the balance of general obligation bonds and reduce the millage tax rate assessed to service the debt to -0-.

TOWN OF URANIA, LOUISIANA

MANAGEMENT'S SUMMARY OF PRIOR YEAR FINDINGS

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

The management of the Town of Urania, Louisiana has provided the following action summaries relating to audit findings brought to their attention as a result of their financial audit for the year ended June 30, 2013

PRIOR YEAR FINDINGS

2013-I-1 Small Size of Entity (Unresolved)

Condition: Because of the small size of the Town and the lack of separation of duties of employees, many of the important elements of good internal controls cannot always be achieved to ensure adequate protection of the Town's cash.

Client Response and Corrective Action: Management continues to provide the necessary oversight in its current internal control procedures, specifically in the areas of cash receipts, collection receipt activities, recordation of those receipts, depositing of funds collected, and review of checks written.

2013-C-1 Budget Variances (Resolved)

Condition: The Town overspent its budget by \$82,597 or 46% because it did not budget for \$97,251 in grants received during the year.

Client Response and Corrective Action: Discussed with the Town clerk and Town officials at monthly council meeting. The Town will begin monitoring revenues and expenditures to determine if the budget should be amended.